



**S. E. POWER LIMITED**  
Reg. Off.: Survey No. 54/B, Pratapnagar  
Jarod-Savli Road, Samlaya Vadodara-391520  
CIN: L40106GJ2010PLC091880

# **POLICY ON RELATED PARTY TRANSACTIONS**

## **POLICY ON RELATED PARTY TRANSACTIONS**

[Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]

### **1. Preamble and background**

The Company S.E. Power Limited, considers that certain related party transactions can present a potential or actual conflicts of interest and may raise questions about the consistency of such related party transactions with the Company's and its stakeholders' interests. Accordingly, the Company must ensure that related party transactions as prescribed under the Companies Act, 2013 are managed, regulated and disclosed in accordance with the applicable legal requirements and in the best interests of the Company and its stakeholders.

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 mandates for listed company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of above and as a part of the corporate governance practice, the Company has framed this Policy on Related Party Transactions in order to set forth the procedure under which certain transactions with related parties must be reviewed and approved or ratified. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee,

### **2. Definitions**

**“Arm's Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**“Act”** means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.

**“Audit Committee” or “Committee”** means Audit Committee of Board of Directors of the Company.

**“Board of Directors” or “Board”** means the Board of Directors of the Company.

**“Company”** means S.E. Power Limited.

**“Key Managerial Personnel (KMP)”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and rules made thereunder.

**“Material Related Party Transaction”** means a transaction(s) with a Related Party which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited

financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI(LODR) Regulations, 2015, whichever is stricter, from time to time.

**“Policy” or “this Policy”** means Policy on Related Party Transactions of the Company.

**“Regulations” or “SEBI (LODR) Regulations, 2015”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**“Related Party”** with reference to the Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**“Related Party Transaction”** means transfer of resources, services or obligations between Company and any Related Party, regardless of whether a price is charged, which includes any contract or arrangement with related party with respect to-

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
- f. Such related party’s appointment to any office or place of profit in the Company, or its subsidiary Company or Associate Company; and
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company.

A **“transaction”** with related party shall be constructed to include single transaction or a group of transactions in a contract.

**“Relative”**, with reference to any person, means anyone who is related to another, if –

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other person as
  - a. Father (including step-father):

- b. Mother (including step-mother):
- c. Son (including step-son):
- d. Son's wife:
- e. Daughter:
- f. Daughter's husband:
- g. Brother (including step-brother):
- h. Sister (including step-brother).

**“Related Party Transaction”**, means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract as defined in Reg 2(1)(zc) of SEBI LODR Regulations, 2015.

All other words, terms and expressions used but not defined in this policy, shall have the same meaning as respectively assigned to them in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 or rules and regulations made thereunder, or any statutory modification or re-enactment thereto, as the case may be.

### **3. Scope, Objective and Purpose of the Policy**

The provisions of this Policy shall govern the review, approval, reporting procedure and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its stakeholders.

The main object and purpose of this policy to set out the manner of dealing with Related Party Transactions based on Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and any other regulations as may be applicable to the Company.

### **4. Identification of Related Party and Transactions with Related Parties**

#### **➤ Identification of Related Parties:**

The Company has formulated guidelines for identification and updating the list of related parties, which includes:

- the responsibility of every Directors and Key Managerial Personnel to provide annually a declaration, in prescribed format a per Annexure A, for his/her interest in other entities and update the same as and when any change occurred in that;

- maintenance of updated database of information pertaining to Related Parties.

➤ **Prior Notice of Related Party Transactions:**

A guideline has also been formulated by the Company for identification of related party transactions in accordance with Section 188 of the Act and SEBI (LODR) Regulations, 2015, and Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis.

Under the guidelines, it is the responsibility of every Directors, Key Managerial Personnel, Functional heads/ Chief Financial Officer to provide prior notice with supporting details and documents (a suggested list of details, records and supporting documents is provided in Annexure B) to the Company of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board/ Committee may require, for being placed before the Committee and Board.

**5. Review, Approval and Ratification of Related Party Transaction**

➤ **Approval of Audit Committee**

All Related Party Transactions require prior approval of the Audit Committee.

➤ **Omnibus Approval**

The Audit Committee may grant omnibus approval for related party transactions, which are repetitive in nature, subject to following conditions:

- the Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and shall satisfy itself the need of such omnibus approval in the interest of the Company and its stakeholders;
- the omnibus approval shall specify the names of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into; the indicative base price/current contacted price and the formula for variation in the price if any; and
- such other conditions as the Audit Committee may deem fit.

*However, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction;*

- the Audit Committee shall review, at least quarterly basis, the details of related party transactions entered into by the Company pursuant to each of omnibus approval given;
- such omnibus approvals shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.

➤ **Approval of Board of Directors of the Company**

Pursuant to provisions of applicable laws, all such kind of related party transactions which are required to be approved by Board of Directors of the Company shall be placed before the Board for its consideration and approval.

In addition to the above, following kind of related party transactions shall also be placed before the Board for its approval:

- related party transactions in respect of which Audit Committee determines that the transactions should be brought before the Board of Directors for its approval;
- transactions which are material related party transactions, which are intended to be placed before the Shareholders for approval; and
- other transactions, which as per the parameters (value threshold and/or other parameters) set out by Board of Directors from time to time, require Board approval in addition to Audit Committee approval.

While considering the proposal of related party transactions placed before the Audit Committee/ Board for approval, The Audit Committee/ Board may review related documents and/or seek relevant information from the management in order to determine the nature, transparency and requirement of the transactions in the best interest of the Company.

Any member(s) of the Committee/ Board who has potential interest in any related party transaction shall abstain from the discussion and voting on the approval of the said transaction.

➤ **Approval of Shareholders**

All the material related party transactions and related party transactions in excess of the limit prescribed under the Companies Act, 2013 which are not in the ordinary course of Business or not at arm's length basis shall require approval of shareholders through resolution and the related party/parties shall abstain from voting on such resolution(s) whether the entity is a related party to the particular transaction or not.

Further the related parties shall not be abstained from voting on such resolution if ninety per cent. or more members, in number, are relatives of promoters or are related parties.

➤ **Related Party Transaction not previously approved**

In the event the Company becomes aware of a related party transaction that has not been previously approved under this policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders as the case may be required under this policy and applicable laws.

The Committee or Board or Shareholders shall consider all relevant facts and circumstances respecting to such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such action as the Committee deems appropriate under the circumstances.

**6. Disclosures and Reporting of Related Party Transactions**

As per the provisions of Section 134 of the Companies Act, 2013, the Company shall disclose in prescribed form the particulars of transactions with related parties as referred to in Section 188(1) of the Companies Act, 2013 and which are not in the ordinary course of business or at arm's length basis.

In addition to above, the Company shall also submit details of all material related party transactions on a quarterly basis to the stock exchanges.

**7. Dissemination of Policy**

The Company shall disseminate this Policy on Related Party Transactions on the website of the Company and web link with other disclosures thereto shall be provided in the Annual Report of the Company.

**8. Scope Limitation**

In the event of any conflict between the provisions of this Policy and provisions of Companies Act, 2013 / SEBI (LODR) Regulations, 2015 or any other statutory enactments, rules then the applicable provisions of Companies Act, 2013 / SEBI (LODR) Regulations, 2015 or any other statutory enactments, rules shall prevail over this Policy.

**9. Policy review**

This policy shall be reviewed from time to time so that the policy remains compliant with the applicable legal requirements.

**10. Amendment**

The Board shall have power to amend any of the provisions of this Policy, substitute any of the provisions with a new provisions or replace this Policy entirely with a new Policy according to subsequent modification(s) /amendment(s) to Companies Act, 2013/ SEBI (LODR) Regulations, 2015 or any other statutory enactments.

**ANNEXURE-A**

**NOTICE OF INTEREST BY DIRECTOR/ KEY MANAGERIAL PERSONNEL**

To,  
**The Board of Directors,**  
**S.E. Power Limited**  
**Delhi**

Dear Sir,

**Sub: Notice of Interest in other entity**

A. I,.....,son/daughter/wife of ....., resident of ....., holding .....Shares of Rs. 10 each (.....percent of the paid-up capital) in the Company in my name being a .....(designation) in the Company, hereby give notice that I am interested directly/ through my Relative (as mentioned in annexed Schedule) in the following company(ies), body(ies) corporate, firms or other association(s) of individuals:

Sr. No.	Name of Company/ Body Corporate/ Firm/ Association of Individuals	Nature of Interest or Concern/ Change in Interest or Concern	Shareholding (%)	Date on which Interest or Concern arose/changed

B. The following are the Body(ies) Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions:

Sr. No.	Name of Body Corporate

C. I am accustomed to act on the advice, directions or instructions of the following persons(other than advice, directions or instructions obtained in professional capacity):

Sr. No.	Name of Person	Relation





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**Place:**

**Date:**

**Signature .....**

**Name.....**

**Designation.....**

**Schedule**

**List of Relative**

<b>Sr. No.</b>	<b>Relationship</b>	<b>Full Name</b>	<b>Address</b>	<b>Shareholding in S.E. Power Ltd.</b>
1.	Spouse			
2.	Father (Including Step Father)			
3.	Mother (Including Step Mother)			
4.	Son (Including Step Son)			
5.	Son's Wife			
6.	Daughter			
7.	Daughter's husband			
8.	Brother (Including step-brother)			



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<b>9.</b>	Sister (Including step- brother)			
<b>10.</b>	Member of HUF			

## **ANNEXURE-B**

### **SUGGESTED LIST OF DETAILS, RECORDS AND SUPPORTING DOCUMENTS TO BE PROVIDED TO THE AUDIT COMMITTEE/BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION)**

- Name of Related Party and nature of relationship;
- Nature and duration of the contract/transaction and particular thereof;
- Material terms of the contract or arrangement or transaction including the value, if any;
- In case of existing or approved contract, transactions, details of proposed variations to the duration, current price/ value and/ or material terms of the contract or arrangement including a justification to the proposed variations;
- Any advance paid/ received or to be paid /received for the contract or arrangement, if any;
- Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
- Copy of draft agreement, contract order or correspondence etc., if any;
- Applicable Statutory provisions, if any;
- Valuation Report in case of sale or purchase or leasing or renting of capital assets or securities;
- Justification as to arm's length nature of the proposed transaction;
- Declaration whether the transaction is in ordinary course of business;
- Person/authority approving the transaction; and
- Any other information relevant or important for the Committee/Board to take decisions on the proposed transaction.